GOVERNMENT OF INDIA
HUMAN RESOURCE DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:27
ANSWERED ON:26.02.2008
TAX ON DONATION
Patel Shri Jivabhai Ambalal;Rana Shri Kashi Ram

Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

(a) Whether medical and engineering colleges charge donations for admissions in their colleges;

(b) if so,whether the Government fails to levy any tax thereon;

(c) the reaction of the Government in this regard;

(d) the provision made by the Government for imposing tax on donation; and

(e) the procedure laid down for implementation of these provisions?

Answer

MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT(SMT. D. PURANDESWARI)

(a): Some reports to this effect have come to notice.

(b)to(e): Under the Income-tax Act, 1961, the income of any educational or medical institution, including Income by way of voluntary contributions,is exempt from tax,if the institution has been approved by the prescribed authority and subject to the fulfillment of certain conditions.However,any anonymous donation received b y a n educational or medical institution is taxed @ 30% under section 115BBC of the said Act.